

Center for Business & Economic Research
COLLEGE OF BUSINESS ADMINISTRATION

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March 19, 2014

Mr. Justin P. Wilson
Comptroller of the Treasury
State Funding Board
State Capitol
Nashville, Tennessee 37243

Dear Mr. Wilson:

Sections 9-6-201 and 202 of the *Tennessee Code Annotated* state that the Funding Board may secure from the Tennessee Econometric Model the estimated rate of growth of the state's economy as measured by the forecasted change in Tennessee personal income. Personal income is defined by the United States Department of Commerce. Major assumptions and the methodology used in arriving at the estimates are to be provided as well. This background information to our forecast is included in the *Economic Report to the Governor of the State of Tennessee, January 2014*.

We report the following to you:

Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977 = 100.00)	Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977 = 100.00)	Calendar Year	Personal Income (mil \$)	Growth (%)	Index (1977 = 100.00)
1977	26,805	11.15	100.00	1991	85,632	5.56	319.46	2005	190,027	3.98	708.92
1978	30,615	14.21	114.21	1992	93,558	9.26	349.03	2006	201,594	6.09	752.08
1979	34,248	11.87	127.77	1993	99,315	6.15	370.51	2007	210,987	4.66	787.12
1980	37,847	10.51	141.19	1994	106,112	6.84	395.86	2008	219,042	3.82	817.17
1981	42,205	11.51	157.45	1995	113,671	7.12	424.07	2009	217,000	-0.93	809.55
1982	45,049	6.74	168.06	1996	119,901	5.48	447.31	2010	225,225	3.79	840.23
1983	47,964	6.47	178.94	1997	126,654	5.63	472.50	2011	237,618	5.50	886.47
1984	53,490	11.52	199.55	1998	136,253	7.58	508.31	2012	250,189	5.29	933.37
1985	57,303	7.13	213.78	1999	143,053	4.99	533.68	2013	256,814	2.65	958.08
1986	61,105	6.64	227.96	2000	152,224	6.41	567.89	2014	267,595	4.20	998.30
1987	65,786	7.66	245.42	2001	161,701	6.23	603.25	2015	279,543	4.46	1042.87
1988	71,290	8.37	265.96	2002	165,976	2.64	619.20	2016	291,950	4.44	1089.16
1989	76,300	7.03	284.65	2003	172,587	3.98	643.86				
1990	81,121	6.32	302.63	2004	182,750	5.89	681.78				

We would be pleased to discuss the economic forecast with you in detail.

Best regards,



William F. Fox
Director